

MOODY NATIONAL REIT II, INC.

ACQUISITION SUMMARY



Marriott SpringHill Suites Seattle Downtown/South Lake

Location: Seattle, WA

Submarket: Located in downtown Seattle, the SpringHill Suites sits in one of the city's major public transportation routes¹ with ready access to the homes of Amazon, Microsoft, Nordstrom and REI². Additionally, Seattle is home to the flagship Starbucks and Costco. Seattle was ranked as the number one best city for jobs in 2015 by Forbes magazine.³

1. <https://www.downtownseattle.com/transportation/>
2. <http://www.bizjournals.com/seattle/slideshow/2012/05/29/the-list-largest-public-companies.html>
3. <http://www.forbes.com/pictures/fjle45kfgk/no-1-best-city-for-jobs-seattle-washington/>

Property Type: 234 room Hotel originally constructed in 2001

Acquisition Date: May 24, 2016

Contract Purchase Price: \$74,100,000, excluding closing costs

Capitalization Rate: 7.8%*

*We calculate the capitalization rate for a real property by dividing net operating income of the property by the purchase price of the property, excluding costs. For purposes of this calculation, net operating income is determined using the reforecasted net operating income for year-end 2016. For purposes of this calculation, net operating income is all gross revenues from the property less all operating expenses, including property taxes and management fees but excluding depreciation.



Notice to Investors: This is neither an offer to sell nor a solicitation of an offer to buy the securities described herein. This sales and advertising material must be viewed in conjunction with the prospectus in order to understand fully all of the implications and risks of the offering of securities to which it relates. An offering is made only by the prospectus.

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IMPORTANT RISK FACTOR DISCLOSURE: All information herein should be reviewed with a Moody National REIT II, Inc. ("REIT II," "we" or "our") prospectus which includes information on charges, expenses and other important information about the offering. The prospectus should be read carefully before making an investment to learn more about the risks of investing in REIT II. These risks include, but are not limited to, the following: REIT II has a limited operating history, and there is no assurance that REIT II will be able to successfully achieve its investment objectives. Because there is no public trading market for shares of the common stock of REIT II and REIT II is not obligated to effectuate a liquidity event by a certain date, it will be difficult for stockholders to sell their shares. If a stockholder is able to sell his or her shares, he or she will likely sell them at a substantial discount. There are restrictions and limitations on a stockholder's ability to have all or a portion of his or her shares of common stock repurchased under REIT II's share redemption program, and if he or she is able to have his or her shares repurchased pursuant to the share redemption program, it may be for a price less than the price he or she paid for the shares and the then-current value of the shares. The price of shares may be adjusted periodically to reflect changes in the net asset value of REIT II's common stock and therefore future adjustments may result in an offering price lower than the price a stockholder paid for the shares. This is a "blind pool" offering and stockholders will not have the opportunity to evaluate the future investments of REIT II prior to purchasing shares of its common stock. REIT II depends upon its advisor, dealer manager, property manager and sub-property manager and their affiliates to conduct its operations and this offering. Adverse changes in the financial health of our advisor, dealer manager, property manager and sub-property manager or their affiliates could cause our operations to suffer. We will pay substantial fees to our advisor, which were not determined on an arm's-length basis. REIT II's advisor and other affiliates will face conflicts of interest as a result of compensation arrangements, time constraints and competition for investments and for tenants, which could result in actions that are not in the best interests of REIT II's stockholders. We are conducting a "best efforts" offering. Our ability to raise money and achieve our investment objectives depends on the ability of our dealer manager to successfully market the offering. The amount of distributions REIT II makes, if any, is uncertain. Distributions may exceed REIT II's earnings, particularly during the period before REIT II has acquired a substantial portfolio of real estate assets. Distributions have been paid from other sources such as borrowings, offering proceeds or deferral of fees and expense reimbursements by REIT II's advisor, in its sole discretion. REIT II has not established a limit on the amount of proceeds from the offering that may be used to fund distributions. As of December 31, 2015, all distributions had been paid from offering proceeds. Portions of the distributions that REIT II makes may represent a return of capital to stockholders, which will lower a stockholder's tax basis in REIT II's shares. If REIT II fails to qualify as a REIT, it would adversely affect its operations and ability to make distributions to stockholders because we will be subject to U.S. federal income tax at regular corporate rates with no ability to deduct distributions made to our stockholders. REIT II plans to invest primarily in premier-brand, select-service hotel properties that are located in major metropolitan markets in select U.S. geographic regions. A more focused investment portfolio is inherently more risky than a more diversified portfolio. As a result, our results of operations may be adversely affected by a downturn in the hospitality sector or adverse economic developments in the geographic regions in which it invests. REIT II, Inc. is sponsored by Moody National REIT Sponsor, LLC, which is indirectly owned and controlled by Brett C. Moody. Moody National REIT Sponsor, LLC is an affiliate of Moody Securities, LLC, which is the dealer manager for the offering. Moody Securities, LLC is a member of FINRA/SIPC.

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